This is a matter of grave importance—both to the American taxpayers and to their duly elected representatives in this constitutional body. It deserves careful consideration by all members.

As we debate possible increases or decreases in the funding of various programs included in Medicaid, we must be certain the funding is used wisely and as intended.

A recent issue of the Washington Times included an article by nationally syndicated and widely respected columnist Phyllis Schlafly which suggests that we may not always know the final destination of the money we appropriate to Medicaid. I believe it raises a serious question as to the actual usage of taxpayer money—a question worthy of consideration by the members of this body. I represent Barrington, IL which is referenced in the column, and I am concerned about the information Mrs. Schlafly has shared with the public. It is for that reason I thought it important to share this with the members of the House and have included a copy of the article in the RECORD.

[From the Washington Times, Jan. 18, 1997]

SMOKING GUN IN THE MEDICAID MYSTERY

(By Phyllis Schlafly)

Medicaid, the federal program that provides health care to people on welfare, is one of the biggest problems that the 105th Congress will have to tackle if it is serious about balancing the budget in the foreseeable future. Medicaid costs more than $100 billion a year and is rising far more rapidly than inflation, demographics or poverty can justify.

The smoking gun, which proves why this dramatic increase is taking place, has just surfaced in an amazing letter sent by the Illinois State Board of Education to school district superintendents. Signed by the board's ''Medicaid Consultant,'' this letter describes in detail how public schools can exploit Medicaid to funnel a fresh flow of taxpayers' money into public schools that bypasses all traditional funding sources and accountability.

The letter's enthusiasm for spending this new money on virtually anything the bureaucracy desires is matched only by its arrogance in explaining the deviousness of acquiring it. Stating that ''the potential for the dollars is limitless,'' the letter boasts that ''Medicaid dollars have been used for purchases ranging from audiometers to minibuses, from a closed-captioned television for a classroom to an entire computer system, from contracting with substitutes to employment of new special education staff, from expanding existing special education programs to implementing totally new programs.''

Most Americans think Medicaid is just fulfilling its original purpose of providing health care to people on welfare.

They should think again, because this letter reveals how politicians and bureaucrats, after taxing us for ''entitlements'' for needy people, then conspire to increase the cost by loading on any projects their avaricious hearts desire.

This Illinois State Board of Education letter ''encourages'' local public schools to use the experienced State School Board staff in order to ''maximize federal reimbursement'' of Medicaid dollars and use the ''opportunity'' to bill Medicaid for money already spent in 1994, '95 and '96. The letter describes two ways public schools ''have found Medicaid to be a viable funding source.''

The first initiative provides Medicaid funding through school-based health services. Schools may bill Medicaid not just for therapies, but also for ''social work and psychological services, nursing and audiological services, hearing/vision screenings, and transportation.''

The second initiative allows all schools to claim Medicaid dollars for early and periodic screenings, diagnosis and treatment. The letter states that such services include ''public awareness, i.e., government propaganda, identification and referral, i.e., putting private medical information on a government computer, initial health review and evaluation, initial health review and evaluation, i.e., such as the shocking, unauthorized genital exams given without parental consent to 59 sixth-grade girls in East Stroudsburg, Pa., health provider networking with Planned Parenthood?, and family planning referral to abortion clinics without parental consent?''

In fiscal 1996, $31.7 million in federal funds were paid to Illinois schools for the first initiative and $40.8 million for the second.

Medicaid was set up to cover only people on some form of welfare: either Aid to Families with Dependent Children or Supplemental Security Income (a program for seniors). Medicaid is a federal-state matching program, at a ratio of about 60-to-40.

In 1986, Congress inserted into the law permission for the states to expand Medicaid to cover children in families whose incomes were below the poverty line, whether their parents took welfare or not. That expansion slipped by without the taxpayers discovering it, so in 1990 Congress required states to provide Medicaid coverage to all poor children by the year 2002, and allowed states to extend Medicaid even further to the nonpoor.

This is one reason why Medicaid costs are going through the roof. In 1986, Medicaid cost about $27 million. This year, Medicaid will cost about $105 billion. By 2002, when the mandate is in full swing, Medicaid will cost at least $133 billion.

Many people were puzzled when President Clinton bragged during last fall's campaign that ''he'' had provided health care for an additional 1 million children. Medicaid is how he did it.

No way have Hillary Rodham Clinton, Ted Kennedy and Ira Magaziner abandoned their goal of forcing America to adopt federal health care; they are just bringing it in through the schoolhouse door. When health care is provided by and in the public schools, there is no separating welfare kids from the others. They are all eligible.

The Illinois State Board of Education letter, signed by Jean Rowe, Medicaid consultant, was dated Oct. 8, 1996, but was not made public and has just been discovered. The copy that came into my hands was addressed to the Barrington, Illinois District, which is one of the wealthiest districts in the United States and proves that Medicaid is no longer a program for the ''poor,'' but is the vehicle to saddle us with the federal medical system that the American people have rejected.

FAIRNESS IN MEDICAID FUNDING ACT OF 1997

HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mrs. THURMAN. Mr. Speaker, today, I join in a bipartisan manner with several of my Florida colleagues to introduce the Fairness in Medicaid Funding Act of 1997. For too long Federal Medicaid dollars have been directed away from States with high poverty rates. Instead, States with low poverty rates have been able to use Federal dollars to finance a significant portion of their program, without added costs to their taxpayers. The Medicaid match formula is meant to alleviate this discrepancy; instead, it aggravates it. The formula used to calculate how Medicaid dollars are allocated is currently based upon a State's per capital income rather than the number of people in poverty.

The Congressional Budget Office has produced increasingly optimistic numbers concerning the rate of growth of expenditures in the Medicaid Program, which may stall more comprehensive reform this year. Therefore, we must act to fix the unfair basic formula that drives the current system.

The Fairness in Medicaid Funding Act changes the way we calculate the Federal match to better reflect the true goals of the Medicaid Program. Under this act, the formula will be recalculated to take into account the number of people in poverty in a State as well as a State's ability to finance program services from State revenues using the State's total taxable resources.

According to the General Accounting Office, ''a formula using better indicators of States' financing capacities and poverty rates * * * would more equitably distribute the burden state taxpayers face in financing Medicaid benefits for low-income residents.'' Based upon the GAO's recommendation, my bill makes the system more fair for beneficiaries, States, and taxpayers.

Enact the Fairness in Medicaid Funding Act of 1997 and help Medicaid do the job it was intended to do.

INTRODUCTION OF THE ACCESS TO EMERGENCY MEDICAL SERVICES ACT OF 1997

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mr. CARDIN. Mr. Speaker, I rise today with my colleague MARGE ROUKEMA to introduce the Access to Emergency Medical Services Act of 1997. Companion legislation is being introduced in the Senate by Senators BOB GRAHAM, TIM HUTCHISON, and BARBARA MIKULSKI.

The Access to Emergency Medical Services Act of 1997 would enact a national definition of emergency known as the ''prudent layperson'' definition. The bill would ensure that health plans cover emergency care based on a patient's symptoms rather than the final diagnosis. Enactment of this definition would end the phenomena of health plans denying coverage for emergency care when chest pains turned out to be indigestion rather than a heart attack.

As you may recall, we first introduced this legislation in the 104th Congress. We ended 1996 with 154 cosponsors and had portions of the bill favorably reported by the Commerce Committee and the full Senate.

This year, the legislation has been redrafted to amend the Health Insurance Portability and Accountability Act. The goals of the bill are the same. Again, it would establish the ''prudent layperson'' definition of emergency as the standard for coverage under group health plans, health insurers, and the Medicare and Medicaid programs. It would also forbid any requirement for preauthorization for emergency care. A new addition to this legislation